



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

May 14, 2008

Mitchell E. Parrish
Vice President of Operations
Medtronic MiniMed, Inc.
18000 Devonshire St.
Northridge, CA 91325

Dear Mr. Parrish:

RE: **FINAL MONITORING REPORT** for Medtronic MiniMed, Inc. - ET06-0235

Date of Visit	4/22/08
Time of Visit	1:15 p.m. – 2:15 p.m.
Location of Visit	Northridge
Persons in Attendance	Carol Murad, Sr. Manager Training & Education, Minimed Tanya Curry, Project Coordinator, Minimed Ben Jones, Lean Sigma Black Belt, MiniMed (telephone) Naomi Weingart, ETP Contract Analyst
Date of Last Visit	09/20/07
Action Required	No

CONTRACT INFORMATION

Term of Agreement	02/06/06 – 02/05/08	Agreement Amount	\$218,400
Type of Trainee	Retrainee	No. to Retain	160
Training Start Date	02/06/06	Range of Hours	24-200
Date Training Must Be Completed	11/07/07	Weighted Avg Hours	105

TRAINING STATUS

Project Statistics

Trainees Started Training	96	Completed Training	62
Trainees Enrolled	96	Completed Retention	62
Dropped Following Enrollment	28	In Retention Period	0
No. Compl Min Reimbursable Hrs	62	Still Active	6

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ETP (04/15/05)

Training Status (continued):

Project statistics above were taken from the May 12, 2008 ETP Contract Status Report and the ETP online Forms and Class/Lab Tracking systems.

Training began February 6, 2006 and ended April 13, 2007. The ETP online Training Summary Report shows that 62 trainees met the 24-hour minimum requirement and completed a combined total of 5,639 training hours. The Fiscal Closeout Report shows that you were reimbursed for 62 trainees in the amount of \$71,418, 33% of the contract funding amount. Mr. Jones, Project Administrator, had previously commented that several internal changes and obstacles decreased the size of the original ETP training program. He explained that the company revamped its training program internally to include fewer classes per person and just-in-time delivery leading immediately into real time improvement projects. This ultimately resulted in less training and lower performance on the ETP contract than originally anticipated. In spite of these program alterations, several people did complete training and will provide Minimed with additional staff to facilitate internal improvement projects. Staff had no apparent problems with the ETP online systems, and monitoring assistance was offered as needed.

ATTENDANCE ROSTERS/INVOICES

The Monitoring Analyst reviewed all rosters for 18 employees that completed training and were submitted for final payment on Invoices 5, 6, and 8. All rosters reflected classes that were listed on the approved Curriculum in Exhibit B of the contract, and the 1:20 trainer to trainee ratio was maintained. In most cases, all rosters were on file and trainee hours were accurately reported in the ETP online Class/Lab Tracking system. However, several rosters lacked required identifying information (Contractor name and year), which you should add to complete the record.

The Monitor identified some recordkeeping anomalies that were resolved in the following manner:

- Roster 62A for 4 days of training (32 hours) from August 28 through August 31, 2006 for 15 trainees was not in file. Mr. Jones reported that the ETP roster could not be found, but was able to secure a copy of a second "internal" training roster for this training that your corporate staff requires. He submitted a copy of the corporate roster which was reviewed and accepted by the ETP Audit Manager to substantiate the delivery of training.
- In 3 instances, trainees did not sign the roster but were given credit for class/lab hours (Qutubuddin entered a check mark for 8 hours on roster 62IC on 10/9/06; Davis for 8 hours – no roster # - on 1/16/07; and Martinez for 3.5 hours – no roster # - on 2/15/07). According to Mr. Jones, the first trainee did attend class and will provide a signature; but the second trainee did not attend. The ETP Monitor determined that the third trainee, Mr. Martinez, and all trainees on that day wrote in their own names under PRINT NAME, and it therefore appears that trainees were all in attendance. Disallowed = 8 hours x \$13/hour = \$104.

Recommendation: Since the closeout invoice has been processed, the Monitor recommends making an adjustment of \$104 on the new ETP Agreement, ET08-0357.

Attendance Rosters/Invoices (continued):

These findings are based only on the training records reviewed during this visit and represent only a sample of the training records completed to date. It is your responsibility to ensure that 100% of all training records are in compliance with Panel requirements prior to the closeout of this Agreement (Reference: Title 22 California Code of Regulations, Section 4442).

AUDIT

Medtronic Minimed will be notified in writing if this Agreement is selected for a field audit (conducted at your worksite) or a desk audit (conducted by telephone). Audit Notification and Confirmation letters will be sent in advance to allow ample preparation time, and will include a list of documentation that the auditor may examine. Original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters and sign-in sheets
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

Please contact your Monitoring Analyst within ten working days at (818) 755-3633 or nweingart@etp.ca.gov if you have any questions or comments. Thank you for your participation in the ETP training program.

Sincerely,

Signature on File

Dolores Kendrick, Manager
Los Angeles Regional Office

Signature on File

Naomi Weingart, Contract Analyst
Los Angeles Regional Office

Cc: Amichai Vardi, Lean-Sigma Master Black Belt, MiniMed (email)
Ben E. Jones, Lean-Sigma Black Belt, MiniMed (email)
Carol Murad, Sr. Manager Training & Education, Minimed (email)
Tanya Curry, Project Coordinator, Minimed (email)
David Guzman, Chief, ETP Program Operations Division (email)
Kulbir Mayall, Manager, ETP Fiscal Unit
Master File
Project File

Date report mailed to Contractor: 05/19/08